

This document should be read together with the management report on the financial statements of Ferreyros S.A.A.

MANAGEMENT REPORT AND DISCUSSION OF THE CONSOLIDATED FINANCIAL STATEMENTS OF FERREYROS S.A.A. AND SUBSIDIARIES

Ferreyros, the leading importer of capital goods and services of the country and its subsidiaries in Peru and Central America, reached in the first quarter of 2012 sales of US\$ 378 million. This amount is 25% higher compared to the same period of 2011 (US\$ 301 million).

MAIN HIGHLIGHTS

1. Capital increase of S/. 170.5 million

In the first quarter of 2012 Ferreyros successfully accomplished a capital increase through the issue of 75 million new shares to be able to continue with the growth path reached during recent years.

More than one thousand shareholders subscribed shares at a price of S/. 2.28, representing a collection of S/. 170.5 million, or the equivalent in dollars of approximately 63 million.

The offering was launched with the first round of preferential subscription on January 11 and concluded on February 6, 2012, where 98% of the shares were successfully subscribed. The second round was held from February 10 to 14 and an additional 1.7% was placed.

The success of the shares placement is an evidence of the interest and trust of the shareholders in the results and future performance of the company. They consider it is worth to continue allocating resources to the business, which will be used to: a) finance the future growth of the company and its subsidiaries, within its line of business, and b) restructure liabilities to maintain financial strength.

2. Simple reorganization

The Ferreyros Shareholders Meeting, which was held on March 28, 2012, approved the simple reorganization of the company. This will allow a better organization of the different business of the organization through the segregation of two economic blocks from Ferreyros S.A.A. to two subsidiaries.

The first economic block, derived from the automotive division business, will be assigned to the subsidiary Motored S.A.; and the other economic block, derived from the sale of Caterpillar and allies machinery, equipment, and after-sales services will be assigned to the subsidiary Ferreyros S.A.

It is important to mention that after the spin-off of these economic blocks, the corporate name of Ferreyros S.A.A. will be changed to Ferreycorp S.A.A.

This new organization structure will allow each of the subsidiaries of the group to focus on the service provided to its customers, attend each business opportunities and improve operational capabilities. The Ferreycorp corporation will consolidate the subsidiaries financial results and give the policy guidelines.

The transference of the economic block allocated to Motored S.A. went into effect on April 1, 2012 and the transference of the economic block that will be allocated to Motorindustria S.A. will be effective on July 1, 2012.

It is important to mention that starting from the second quarter the automotive sales will be reported in the new subsidiary Motored financial statements instead of Ferreyros financial statements, and will be consolidated in Ferreyros and subsidiaries consolidated financial statements.

3. Agreement with Caterpillar to acquire Bucyrus

On April 13, 2012, the company signed a US\$ 75 million agreement with CAT Global Mining LLC for the purchase of a new line of machinery and equipment, previously marketed under the brand Bucyrus. This new line includes a complete portfolio of mining products.

In addition, this acquisition represents a unique opportunity to bring together the best products, specialists and infrastructure. This will provide mining customers throughout Peru the widest range of solutions through a single point of contact (with the support of Caterpillar's global network) so they will be able to increase the efficiency of their operations.

FINANCIAL RESULTS - SUMMARY

(In million of soles)

In order to comply with the Peruvian legislation, the company adopted IFRS at the end of 2011. During 2011 the quarterly financial information was reported in accordance with the Peruvian GAAP. The 2011 first quarter financial information has been retroactively adjusted in accordance with IFRS to be able to compare with the 2012 first quarter financial information. It is important to notice that according to IFRS the subsidiaries and associated companies results are no longer included in Ferreyros S.A.A. financial results. These financial statements will only reflect cash dividends once they are agreed by the respective subsidiaries shareholders' meetings.

The consolidated financial statements include the results of all the businesses in the organization, that is why the individual financial statements should be read together with the consolidated financial statements.

	1Q 2012	%	1Q 2011	%	Variation %
Net sales	1,013.0	100.0	837.1	100.0	21.0
Gross profit	209.6	20.7	187.1	22.3	12.0
Operating profit	64.3	6.3	66.7	8.0	-3.6
Foreign exchange	12.8	1.3	2.9	0.3	
Net profit	44.9	4.4	43.9	5.2	2.3
EBITDA	103.3	10.2	103.4	12.4	-0.1

QUARTERLY RESULTS

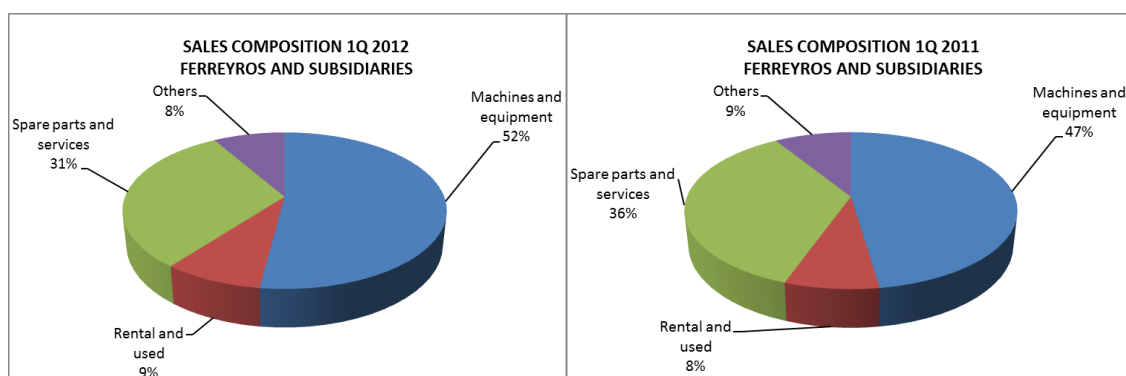
The net sales during 1Q 2012 amounted to S/. 1,013.0 million (S/. 837.1 million in the 1Q 2011). If sales are considered in dollars, they reached US\$ 377.6 million in 1Q 2012 and US\$ 301.2 million in 1Q 2011, which means an increase of 25%. The growth in sales is lower due to an average exchange rate in sales during 1Q 2012 of S/. 2.683, while the average exchange rate in 1Q 2011 was S/. 2.779.

Gross profit during the 1Q 2012 amounted to S/. 209.6 million, 12% higher than S/. 187.1 million reported in the same period of the previous year. The gross profit increase is lower than the sales increase in percentage terms. The gross margin for the first quarter was 20.7%, compared to 22.3% in 1Q 2011.

This reduction in the gross margin is mainly due to:

1). Growth of machinery and equipment in the sales mix (1Q 2012, 52%; 1Q 2011, 47%) which have a smaller gross margin than the sale of spare parts and services, which have a greater profitability due to the greater infrastructure investment and operating costs.. During this first quarter, the sale of spare parts and services reduced their participation in the sales mix, which dropped from 36% to 31% and impacted the average margin of the company.

However, the sale of spare parts and services has been 5.2% higher than the one recorded during 1Q 2011.



2). A revaluation of the Peruvian Sol by 3.5% compared to 2011 first quarter (1Q 2012 average exchange rate: S/.2.683; 1Q 2011 average exchange rate: S/.2.779).

In some cases this revaluation causes that the exchange rate at which the sale is recorded is lower than the exchange rate at which the inventory is recorded and thus the cost of sales.

It is important to mention that the decrease in the gross margin as a result of the lower exchange rate has been recovered with the profit obtained by the adjustment of the accounts payable related to the inventory that has been sold. It has been included in the income statement under the item gain (loss) to exchange rate.

This reduction in the gross margin affected the operating profit which reached S/. 64.3 million compared to S/. 66.7 million reported in the 1Q 2011, 3.6% lower. The operating expenses, as a percentage of net sales, remained without significant variation (14.5% vs 14.4%).

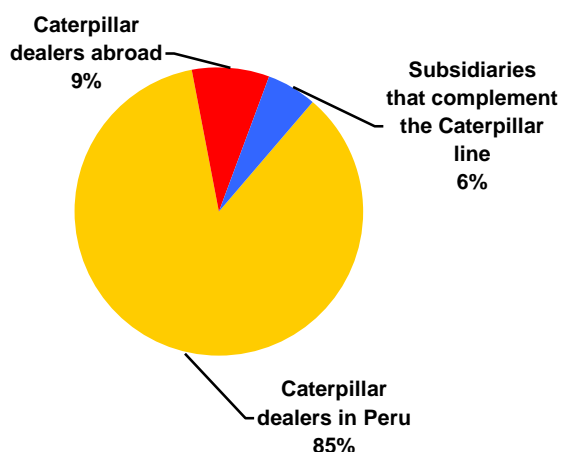
The net profit in this first quarter of the year reached S/. 44.9 million, compared to S/. 43.9 million reported in the same period of 2011, which means an increase of 2.3%.

EBITDA during 1Q 2012 amounted to S/. 103.3 million (US\$ 38.5 million) slightly less than S/. 103.4 million (US\$ 37.2 million) reached during the same period of 2011.

COMMERCIAL MANAGEMENT

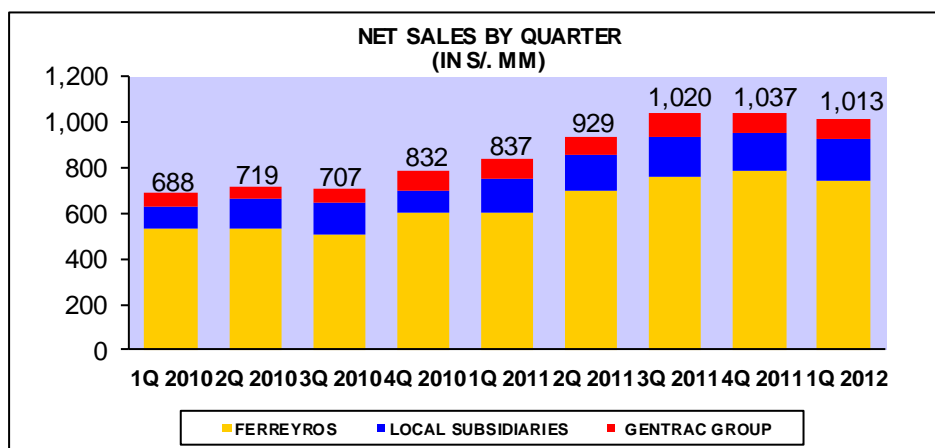
The Organization distributes its business into three major divisions: Caterpillar dealers in Peru (Ferreyros, Unimaq and Orvisa), Caterpillar dealers abroad (Gentrac group) and the ones aimed to offer capital goods and services that complement the Caterpillar line (Fiansa, Mega Representaciones, Fargoline, Cresko and Ferrenergy) .

The following graph shows the composition of the sales according to the above mentioned divisions.



(in thousand soles)	Net Sales			Net Profit		
	1Q 2012	1Q 2011	VAR %	1Q 2012	1Q 2011	VAR %
Ferreyros	739,083	603,236	22.5	30,049	28,286	6.2
Unimaq	94,184	70,172	34.2	5,977	4,953	20.7
Orvisa	35,803	26,593	34.6	2,570	1,540	66.9
Cresko	13,556	12,115	11.9	125	214	41.6
Mega Representaciones	30,253	18,722	61.6	776	973	(20.3)
Others (Fiansa,Fargoline,Ferrenergy,CDR)	13,438	19,919	(32.5)	1,150	-258	
Local subsidiaries	187,234	147,521	26.9	10,597	7,422	42.8
Ferreyros and local subsidiaries	926,317	750,757	23.4	40,646	35,708	13.8
Subsidiaries abroad	86,706	86,383	0.4	4,247	8,190	(48.1)
Total	1,013,023	837,140	21.0	44,893	43,898	2.3

The graph below shows that quarter-to-quarter sales continue to grow steadily. It can also be noted that in recent years the first quarter sales are less than the quarterly sales from the rest of the year.



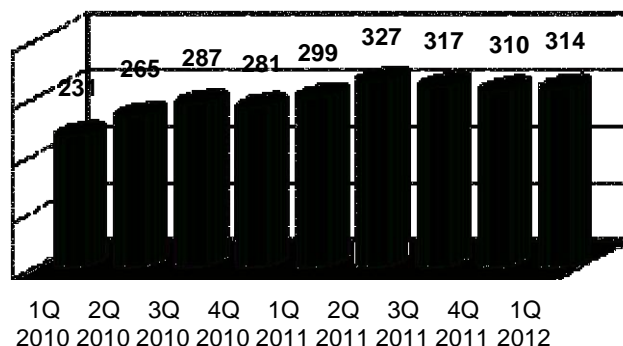
During the first quarter of 2012, almost all commercial lines showed an important growth. In the first place, Caterpillar equipment sold to clients of other economic sectors different from large mining industry, as construction and medium-size mining, registered an outstanding increase of 39.3%.

Likewise, there was an increase in the revenues of the automotive line and the rental and used business that represent an increase of 59.1% and 31.6% respectively, which is basically explained by a significant increase in the demand of the markets to which these sales are targeted, such as construction, mining and transport.

(In million of soles)	1Q 2012	%	1Q 2011	%	Variation %
Caterpillar equipment					
Large mining	61.7	6.1	72.3	8.6	-14.6
Others	381.8	37.7	274.0	32.7	39.3
	443.5	43.8	346.3	41.4	28.1
Agricultural equipment	22.7	2.2	14.4	1.7	57.9
Automotive	61.1	6.0	38.4	4.6	59.1
Rental and used	85.9	8.5	65.2	7.8	31.6
	613.2	60.5	464.3	55.5	32.1
Spare parts and services	314.2	31.0	298.7	35.7	5.2
Other sales from local subsidiaries	75.7	7.5	64.5	7.7	17.3
Other sales from subsidiaries abroad	10.0	1.0	9.6	1.1	4.3
Total	1,013.0	100.0	837.1	100.0	21.0

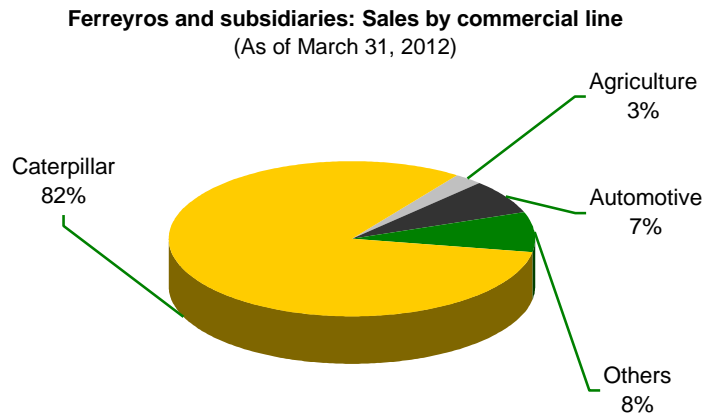
One of the main qualities of the company is its important after-sales service to its clients, for which it has developed large shops throughout the country and service contracts. Thus, sales of spare parts and services continued their growth trend, reaching a 5.2% increase compared with the same period of 2011. This is the result of the machinery sold by Ferreyros that has been accumulating throughout the country which its intensive use requires continuous maintenance and repair.

Sales - Spare parts and services
(in S/. MM)

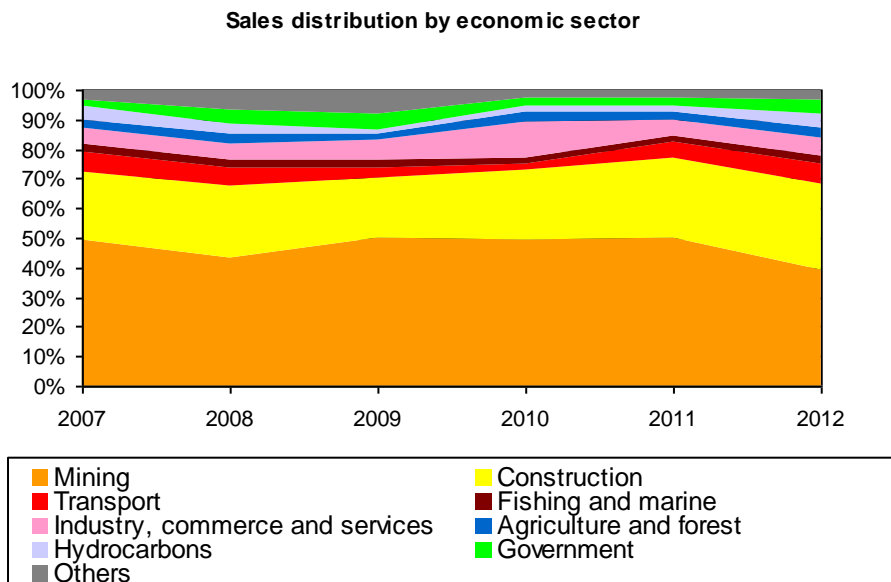


In the first quarter of 2012, sales from the Caterpillar line accounted 82% of the total income of the Company, including machinery and equipment (new, used units and rental) as well as spare parts and services. It is important to point out that sales of Caterpillar spare parts and services continue maintaining 32% of the total sales of the

Company and is the line of higher profitability to be able to cover the infrastructure and the higher operating expenses generated by the after sales support. These are lines with a significant growth in the revenue stream, as a result of the large fleet of Caterpillar units sold by Ferreyros and subsidiaries.



Regarding sales distribution by economic sector, it should be noted that sales to the mining and construction sector continue explaining the higher volume of sales, with 39% and 30% share, respectively, in the total sales of the first quarter of 2012.



SELLING AND ADMINISTRATIVE EXPENSES

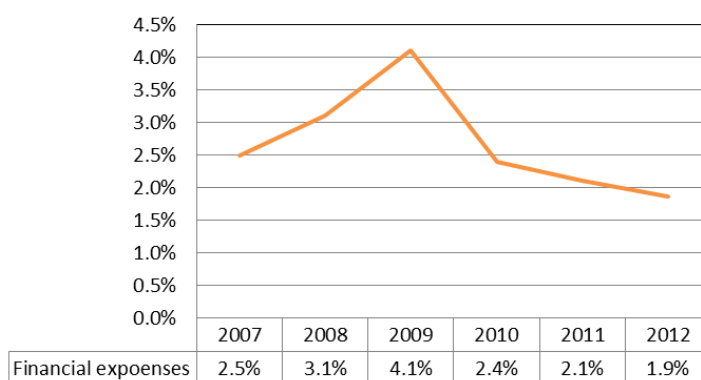
In 1Q 2012 selling and administrative expenses amounted to S/. 146.6 million, compared to S/. 120.8 million reported on the previous year, representing an increase of 21.3%. The increase is explained mainly by a growth in variable expenses as a result of higher net sales and by an increase in fixed costs, mainly due to: i) recruitment of technicians to meet the future demand of after-sales service; ii) hiring of commercial personnel to

expand market coverage, and iii) improvement in the salary of key personnel and qualified technicians.

In 1Q 2012, selling and administrative expenses represent 14.5% of net sales, compared with 14.4% at the end of 1Q 2011.

FINANCIAL EXPENSES

Financial expenses in 1Q 2012 amounted to S/. 18.9 million, 8.0% higher than S/. 17.5 million reported in the same period of the previous year, due to a 11.2% increase in the average liabilities subject to payment of interests (S/. 1,482 million in 1Q 2012; S/. 1,332 million in 1Q 2011). However, this expenses increase is lower than the sales increase, thanks to an improvement in interest rates obtained.



SHARE IN THE RESULTS OF ASSOCIATED COMPANIES AND BUSINESS RECOGNIZED UNDER THE EQUITY METHOD

The income under this category amounted S/. 1.4 million in 1Q 2012, compared to S/. 3.2 million reported in the previous year due to a smaller profit registered by an associated company that belongs to the insurance sector.

FOREIGN EXCHANGE GAIN (LOSS)

During 1Q 2012, net liabilities in foreign currency showed an exchange gain of S/. 12.8 million, compared to an exchange gain of S/. 2.9 million during the same period of the previous year. Exchange gain in 1Q 2012 was caused by an appreciation of 1.08% of the Peruvian Sol against the US dollar, likewise, in 1Q 2011 was caused by a slight appreciation of the Peruvian Sol against the US dollar of 0.14%.

NET PROFIT

Due to the variations previously mentioned, net profit in 1Q 2012 reached S/.44.9 million, compared to S/. 43.9 million reported in the same period of the previous year, which represents an increase of 2.3%.

ANALYSIS OF THE BALANCE SHEET

As shown in appendix 2, total assets as of March 31st, 2012, amounted to S/. 3,531.6 million compared to S/. 2,848.7 million reported in the same period of 2011; which represents a net increase of S/. 682.9 million (24%). The main variations of the asset accounts that explain this growth are the following: i) net inventory growth of S/. 339.5 million, due to higher purchases of prime products and spare parts to satisfy the significant growth in sales and, in some cases, due to the increase in leading times as a result of a higher world demand; ii) Trade accounts receivable increase of S/. 144.3, due to the growth of total sales; and iii) net increase of fixed assets of S/. 147.9 million, which is explained by the S/. 69 million purchases of rental equipment in order to meet the increasing demand mainly by customers in the construction sector, in addition to purchases of machinery and equipment for shops in the amount of S/. 51.3 million.

The composition of the Company's liabilities as of March 31, 2012, are shown in Appendix 4.

LIQUIDITY AND DEBT RATIOS

As a result of the capital increase during the first quarter of 2012, the current ratio has increased from 1.23 as of 03-31-11, to 1.38 as of 03-31-12; likewise, the financial debt ratio as of 03-31-12 is 1.11 compared to 1.53 as of 03-31-11. The total debt ratio as of 03-31-12 is 1.84 compared to 2.26 as of 03-31-11.

It should be recalled that the company's financing strategy adopted in 2011 was to contract more short term loans, due to the aforementioned capital increase. However, as new investments are made with the proceeds of such increase, we will gradually replace short-term obligations for long-term obligations, in line with the usual financial structure.

Company Profile

The Organization Ferreyros is composed by Ferreyros S.A.A., the leading importer of capital goods and services in Peru, and its subsidiaries listed below. As complement to Ferreyros's operations, the parent company, which mission is detailed in the Management report of Ferreyros S.A.A, the subsidiaries contribute to the organization with higher sales and profits, extend the coverage of market and provide a portfolio of products and services that enriches the offer of Ferreyros's solutions. In this sense, many of Ferreyros' S.A.A customers receive products and services of several companies of the organization.

It is worth mentioning that the Organization distributes its business in three big divisions: the Caterpillar dealers in Peru, the Caterpillar dealers abroad and the ones that complement the offer of capital goods and services to different economic sectors.

According to Conasev nomenclature, Ferreyros forms economic group with the following subsidiaries:

<u>Subsidiary</u>	<u>Participation</u>
Caterpillar dealers in Peru:	
Unimaq S.A.	99.99%
Orvisa S.A.	99.00%
Caterpillar dealers abroad:	
Corporation General de Tractores S.A. – Guatemala (*)	100.00%
Compañía General de Equipos S.A. - El Salvador (*)	100.00%
General Equipment Company Ltd. – Belice (*)	100.00%
Subsidiaries that complement the offer of capital goods and services:	
Mega Representaciones S.A.	99.99%
Fiansa S.A.	99.99%
Fargoline S.A.	99.86%
Ferrenergy S.A.C.	50.00%
Cresko S.A.	99.99%
Forbis Logistics Corp (*)	100.00%
Inmobiliaria CDR S.A.C.	99.89%

(*) Subsidiaries of Inti Inversiones Interamericanas Corp.

Find below a brief description of the subsidiaries' core business:

Unimaq S.A. is a company that serves the general construction sector by selling machines, equipment and spare parts, leasing of light equipment and after-sale services. Represents Caterpillar products aimed to serve the general construction.

Orvisa S.A. is a leading company in the distribution of capital goods in the Amazon region and one of the companies with greater trading volume in the area. It sells machinery and earthmoving equipment and forestry use, river engines, agricultural tractors, spare parts and workshop services. The portfolio of products is similar to Ferreyros.

Inti Inversiones Interamericanas Corp. is a holding company set up in late 2009. In January 2010, it bought 100% of the shares of Gentrac Corporation, which also owns Caterpillar's distributors in Guatemala, El Salvador and Belice. The latter are leaders, in their respective countries, in the trading of machinery and equipment, and serving mining, construction, energy, agricultural and sea sectors. They represent prestigious brands such as Caterpillar, Exxon / Mobil lubricants, Sullair compressors, among others. The core business of the 3 companies is similar to Ferreyros.

Mega Representaciones S.A. is a distributor of Good Year tires and Mobil lubricants in Peru. Develops its activities of sale and service, especially in the mining, construction, transportation, agricultural and industrial sectors. The high added value it offers makes it an important and strategically ally for its customers and the products it represents.

Cresko S.A. started to operate in October 2007 offering specialized products to some segments of the construction, mining and agricultural markets that are not covered by Ferreyros or Unimaq. It is the first company of the organization to venture into the trading of Chinese products.

Fargoline S.A. is a subsidiary that provides storage services in simple or field bonded warehouses. By late 2009, it obtained permission from the customs to operate as a temporary warehouse, point of arrival and customs warehouse in its new complex in Gambetta, Callao.

Fiansa S.A. is a subsidiary of the metal mechanic sector and serves costumers from mining, energy and construction sectors. Its sales in the first quarter of 2011 include incomes generated by the construction of metallic bridges, execution of metal works, electrical connections and the manufacturing and assembly of metal structures.

Ferrenergy S.A.C. Its shareholders are Ferreyros S.A.A. and Energy International Corporation, with a 50% share each. Energy International is headquartered in the United States. The first project undertaken by the company was the steam power plant of Guayabal, which generates electrical power of 18 MVV to be sold to a major oil company under a 5-year contract.

Income Statement (NOTE)

(In thousand of nuevos soles)

	1Q 2012		1Q 2011		Variation	
		%		%		%
Net Sales	1,013,023	100.0	837,140	100.0	21.0	
Cost of sales	-803,464	-79.3	-650,081	-77.7	23.6	
Gross profit	209,559	20.7	187,059	22.3	12.0	
Selling and administrative expenses	-146,587	-14.5	-120,823	-14.4	21.3	
Other income (expenses), net	1,335	0.1	467	0.1	185.9	
Operating profit	64,307	6.3	66,703	8.0	-3.6	
Financial income	6,152	0.6	7,307	0.9	-15.8	
Gain (loss) to exchange rate	12,762	1.3	2,905	0.3	339.3	
Financial expenses	-18,882	-1.9	-17,485	-2.1	8.0	
Share in the results of associated companies through the equity method	1,369	0.1	3,165	0.4	-56.7	
Profit before income tax	65,708	6.5	62,595	7.5	5.0	
Income tax	-20,815	-2.1	-18,697	-2.2	11.3	
Net profit	44,893	4.4	43,898	5.2	2.3	
Earning per share	0.065		0.067			
EBITDA	103,269	10.2	103,390	12.4	-0.1	

NOTA: Algunas cifras han sido reclasificadas en este documento, para incluir las ventas por pedido directo dentro de las ventas y costo de ventas. En el Estado de Resultados que se presenta a la SMV, solamente se muestra en el rubro de otros ingresos de operación, la utilidad bruta obtenida en dichas operaciones.

Financial Situation Statement

(In thousand of nuevos soles)

	31/03/2012	31/03/2011	Variation %
Cash and banks	80,311	75,183	6.8
Account receivables - trade	703,275	545,892	28.8
Inventories	1,347,448	1,007,962	33.7
Account receivables - other	63,255	74,040	-14.6
Prepaid expenses	24,474	13,177	85.7
Total current assets	2,218,763	1,716,254	29.3
Long-term account receivables - trade	68,413	81,491	-16.0
Long-term account receivables - other	8,563	12,277	-30.3
Rental fleet	492,903	423,934	16.3
Other fixed assets	1,024,699	890,382	15.1
	1,517,602	1,314,316	15.5
Accrued depreciation	-404,115	-348,750	15.9
Property, plant and equipment, net	1,113,487	965,566	15.3
Investments	88,246	42,271	108.8
Other non current assets	34,147	30,820	10.8
Non current assets	1,312,856	1,132,425	15.9
Total assets	3,531,619	2,848,679	24.0
Short-term debt	285,171	369,680	-22.9
Other current liabilities	1,327,424	1,022,467	29.8
Current liabilities	1,612,595	1,392,147	15.8
Long-term debt	637,048	530,019	20.2
Liabilities for deferred income taxes	36,205	44,821	-19.2
Total liabilities	2,285,848	1,966,987	16.2
Deferred income	6,582	9,686	-32.0
Equity	1,239,189	872,006	42.1
Total liabilities and equity	3,531,619	2,848,679	24.0
Other financial information			
Depreciation and amortizacion (figures accumulated at the end of the period)	31,441	26,215	
Financial Ratios			
Current ratio	1.38	1.23	
Financial debt ratio	1.11	1.52	
Indebtedness ratio	1.84	2.26	
Book value per share	1.78	1.32	

Net Sales

(In thousands of nuevos soles)

	1Q 2012	%	1Q 2011	%	Variation %
Caterpillar equipment					
Large mining	61,746	6.1	72,296	8.6	-14.6
Others	381,801	37.7	274,015	32.7	39.3
	443,547	43.8	346,311	41.4	28.1
Agricultural equipment	22,719	2.2	14,390	1.7	57.9
Automotive	61,083	6.0	38,385	4.6	59.1
Rental and used	85,850	8.5	65,240	7.8	31.6
	613,199	60.5	464,326	55.5	32.1
Spare parts and services	314,181	31.0	298,724	35.7	5.2
Other sales from local subsidiaries	75,670	7.5	64,529	7.7	17.3
Other sales from subsidiaries abroad	9,973	1.0	9,561	1.1	4.3
Total	1,013,023	100.0	837,140	100.0	21.0

Sales by Economic Sector (in percentage)

	1Q 2012	1Q 2011
Mining	39.0%	47.8%
Construction	29.5%	28.7%
Government	5.2%	1.0%
Transport	6.7%	4.1%
Industry, commerce and services	6.2%	7.6%
Agriculture and forest	3.6%	2.6%
Fishing and marine	2.2%	2.2%
Hydrocarbons and energy	4.4%	2.0%
Others	3.1%	3.8%
Total	100.0%	100.0%

Total liabilities as of March, 31st, 2012

(In thousands of US dollars)

	Total Liabilities	Current Liabilities	Long-term liabilities		Financial Liabilities
			Current part	Long term	
					(A)
Local banks (short-term)	109,452	109,452	-	-	109,452
Foreign banks (short-term)	52,089	52,089	-	-	52,089
Local banks (long-term)	118,522	-	44,966	73,556	118,522
Foreign banks (long-term)	71,396	-	24,254	47,142	71,396
Local banks (long-term) (Leasing)	19,331	-	10,157	9,174	19,331
Suppliers:					
Accounts payable to Caterpillar	46,691	46,691	-	-	
Accounts payable to Caterpillar	38,222	38,222	-	-	38,222
Others	69,389	69,389	-	-	647
Corporate bonds	87,023	-	14,671	72,352	87,023
Caterpillar Financial Services	49,385	-	12,836	36,549	49,385
Other liabilities	195,264	195,264	-	-	-
Total (US\$)	856,764	511,107	106,885	238,773	546,067
Total (S/.)	2,285,848	1,363,629	285,171	637,048	1,456,907

This document should be read together with the management report on the consolidated financial statements of Ferreyros S.A.A. and subsidiaries

MANAGEMENT REPORT AND DISCUSSION OF THE FINANCIAL STATEMENTS OF FERREYROS S.A.A.

Ferreyros, the leading importer of capital goods and services in the country, reached in the first quarter of 2012 sales of US\$ 277 million. This amount is 27% higher compared to the same period of 2011 (US\$ 218 million).

MAIN HIGHLIGHTS

1. Capital increase of S/. 170.5 million

In the first quarter of 2012 Ferreyros successfully accomplished a capital increase through the issue of 75 million new shares to be able to continue with the growth path reached during recent years.

More than one thousand shareholders subscribed shares at a price of S/. 2.28, representing a collection of S/. 170.5 million, or the equivalent in dollars of approximately 63 million.

The offering was launched with the first round of preferential subscription on January 11 and concluded on February 6, 2012, where 98% of the shares were successfully subscribed. The second round was held from February 10 to 14 and an additional 1.7% was placed.

The success of the shares placement is an evidence of the interest and trust of the shareholders in the results and future performance of the company. They consider it is worth to continue allocating resources to the business, which will be used to: a) finance the future growth of the company and its subsidiaries, within its line of business, and b) restructure liabilities to maintain financial strength.

2. Simple reorganization

The Ferreyros Shareholders Meeting, which was held on March 28, 2012, approved the simple reorganization of the company. This will allow a better organization of the different business of the organization through the segregation of two economic blocks from Ferreyros S.A.A. to two subsidiaries.

The first economic block, derived from the automotive division business, will be assigned to the subsidiary Motored S.A.; and the other economic block, derived from the sale of Caterpillar and allies machinery, equipment, and after-sales services will be assigned to the subsidiary Ferreyros S.A.

It is important to mention that after the spin-off of these economic blocks, the corporate name of Ferreyros S.A.A. will be changed to Ferreycorp S.A.A.

This new organization structure will allow each of the subsidiaries of the group to focus on the service provided to its customers, attend each business opportunities and improve operational capabilities. The Ferreycorp corporation will consolidate the subsidiaries financial results and give the policy guidelines.

The transference of the economic block allocated to Motored S.A. went into effect on April 1, 2012 and the transference of the economic block that will be allocated to Motorindustria S.A. will be effective on July 1, 2012.

It is important to mention that starting from the second quarter the automotive sales will be reported in the new subsidiary Motored financial statements instead of Ferreyros financial statements, and will be consolidated in Ferreyros and subsidiaries consolidated financial statements.

3. Agreement with Caterpillar to acquire Bucyrus

On April 13, 2012, the company signed a US\$ 75 million agreement with CAT Global Mining LLC for the purchase of a new line of machinery and equipment, previously marketed under the brand Bucyrus. This new line includes a complete portfolio of mining products.

In addition, this acquisition represents a unique opportunity to bring together the best products, specialists and infrastructure. This will provide mining customers throughout Peru the widest range of solutions through a single point of contact (with the support of Caterpillar's global network) so they will be able to increase the efficiency of their operations.

FINANCIAL RESULTS - SUMMARY

(In million of soles)

In order to comply with the Peruvian legislation, the company adopted IFRS at the end of 2011. During 2011 the quarterly financial information was reported in accordance with the Peruvian GAAP. The 2011 first quarter financial information has been retroactively adjusted in accordance with IFRS to be able to compare with the 2012 first quarter financial information. It is important to notice that according to IFRS the subsidiaries and associated companies results are no longer included in Ferreyros S.A.A. financial results. These financial statements will only reflect cash dividends once they are agreed by the respective subsidiaries shareholders' meetings.

The consolidated financial statements include the results of all the businesses in the organization, that is why the individual financial statements should be read together with the consolidated financial statements.

	1Q 2012	%	1Q 2011	%	Variation %
Net sales	744.0	100.0	606.6	100.0	22.7
Gross profit	151.4	20.3	139.6	23.0	8.5
Operating profit	43.5	5.8	50.4	8.3	-13.7
Foreign exchange	7.5	1.0	-1.7	-0.3	
Net profit	30.0	4.0	28.3	4.7	6.2
EBITDA	67.9	9.1	73.6	12.1	-7.8

QUARTERLY RESULTS

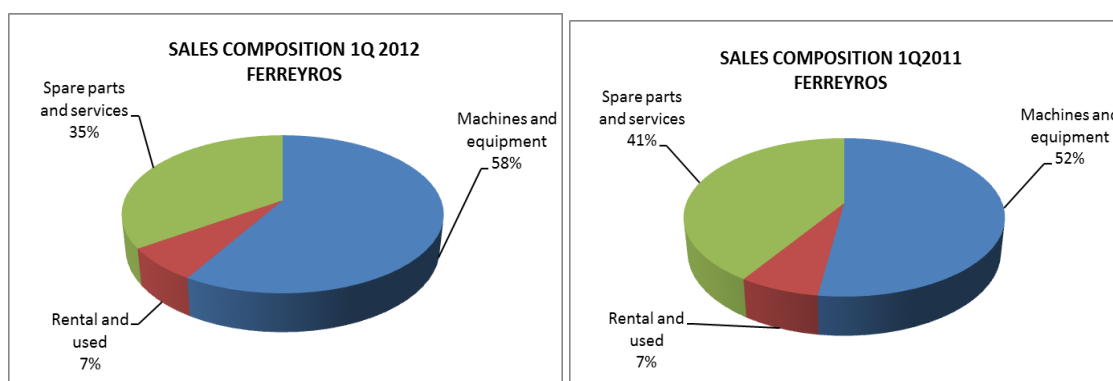
The net sales during 1Q 2012 amounted to S/. 744.0 million (S/. 606.6 million in the 1Q 2011). If sales are considered in dollars, they reached US\$ 277.3 million in 1Q 2012 and US\$ 218.3 million in 1Q 2011, which means an increase of 27%. The growth in sales is lower due to an average exchange rate in sales during 1Q 2012 of S/. 2.683, while the average exchange rate in 1Q 2011 was S/. 2.779.

Gross profit during the 1Q 2012 amounted to S/. 151.4 million, 8.5% higher than S/. 139.6 million reported in the same period of the previous year. The gross profit increase is lower than sales increase in percentage terms. The gross margin for the first quarter was 20.3%, compared to 23.0% in 1Q 2011.

This reduction in gross margin is mainly due to:

1). Growth of machinery and equipment in the sales mix (1Q 2012, 58%; 1Q 2011, 52%) which have a smaller gross margin than the sale of spare parts and services, which have a greater profitability due to the greater infrastructure investment and operating costs. During this first quarter, the sale of spare parts and services reduced their participation in the sales mix, which dropped from 41% to 35% and impacted the average margin of the company .

However, the sale of spare parts and services has been 3.8% higher than that recorded during 1Q 2011.



2). A revaluation of the Peruvian Sol by 3.5% compared to 2011 first quarter (1Q 2012 average exchange rate: S/.2.683; 1Q 2011 average exchange rate: S/.2.779).

In some cases this revaluation causes that the exchange rate at which the sale is recorded is lower than the exchange rate at which the inventory is recorded and thus the cost of sales.

It is important to mention that the decrease in the gross margin as a result of the lower exchange rate has been recovered with the profit obtained by the adjustment of the accounts payable related to the inventory that has been sold. It has been included in the income statement under the item gain (loss) to exchange rate.

This reduction in the gross margin affected the operating profit which reached S/. 43.5 million compared to S/. 50.4 million reported in the 1Q 2011, only 13.7% lower. The operating expenses, as a percentage of net sales, remained without significant variation (14.5% vs 14.7%).

The gross margin reduction was offset by a S/. 7.5 million gain to exchange rate. The result is a higher net profit than the one reached in the first quarter of 2011.

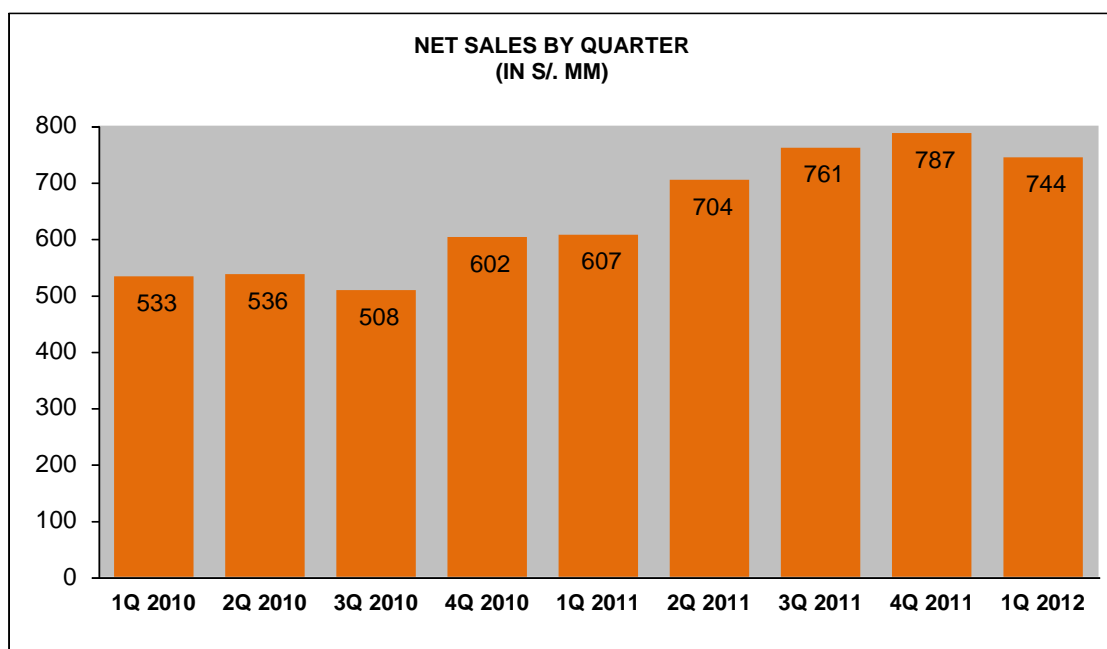
The net profit in this first quarter of the year reached S/. 30.0 million, compared to S/. 28.3 million reported in the same period of 2010, which means an increase of to 6.2%.

Earnings before interest, taxes, depreciation and amortization (EBITDA, in English) was affected by the reduction in the operating profit. The EBITDA during 1Q 2012 amounted to S/. 67.9 million (US\$ 25.3 million), 7.8% less than S/. 73.6 million (US\$ 26.5 million) during the same period of 2011.

COMMERCIAL MANAGEMENT

Sales in the first quarter of 2012 registered an increase of 23% compared to the same period of 2011 as a result of the company's efficient commercial management, higher economic development in the country and the preference of the customers for the products sold by the Company.

The graph below shows that quarter-to-quarter sales continue to grow steadily. It can also be noted that in recent years the first quarter sales are less than the average quarterly sales from the rest of the year.



During the first quarter of 2012, almost all commercial lines showed an important growth. In the first place, Caterpillar equipment sold to clients of other economic sectors different from large mining industry, as construction and medium-size mining, registered an outstanding increase of 51.3%.

Likewise, there was an increase in the revenues of the automotive line and the rental and used business that represent an increase of 59.7% and 22.3% respectively, which is basically explained by a significant increase in the demand of the markets to which these sales are targeted, such as construction, mining and transport.

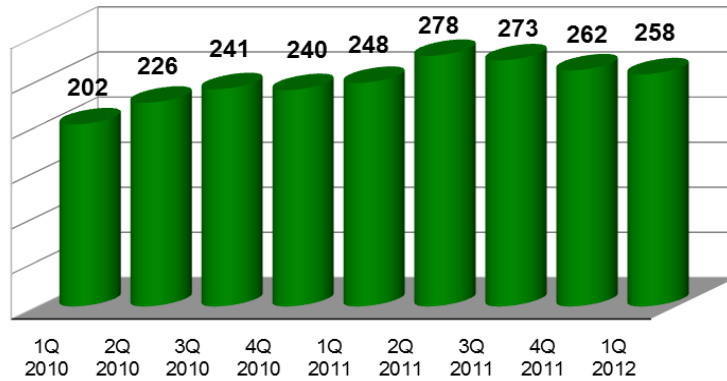
Net Sales

(In million of soles)

	1Q 2012	%	1Q 2011	%	Variation %
Caterpillar equipment					
Large mining	61.7	8.3	72.3	11.9	-14.6
Others	295.7	39.7	195.5	32.2	51.3
	357.4	48.0	267.8	44.1	33.5
Agricultural equipment	17.0	2.3	10.7	1.8	59.1
Automotive	60.9	8.2	38.2	6.3	59.7
Rental and used	51.1	6.9	41.8	6.9	22.3
	486.5	65.4	358.4	59.1	35.7
Spare parts and services	257.5	34.6	248.2	40.9	3.8
Total	744.0	100.0	606.6	100.0	22.7

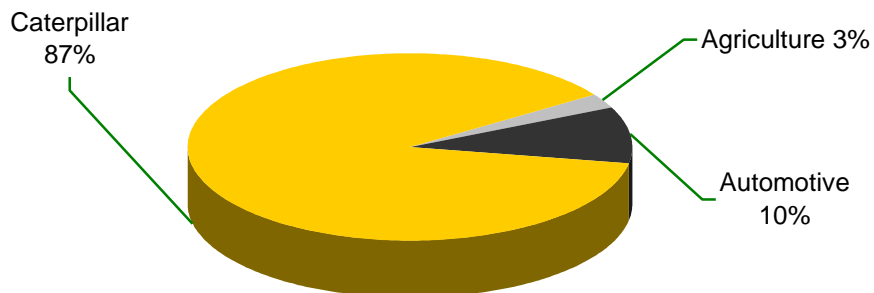
One of the main qualities of the company is its important after-sales service to its clients, for which it has developed large shops throughout the country and service contracts. Thus, sales of spare parts and services continued their growth trend, reaching a 3.8% increase compared with the same period of 2011. This is the result of the evolution of the machinery sold by Ferreyros that has been accumulating in the country and which its intensive use requires continuous maintenance and repair.

Sales - Spare parts and services
(in S/. MM)



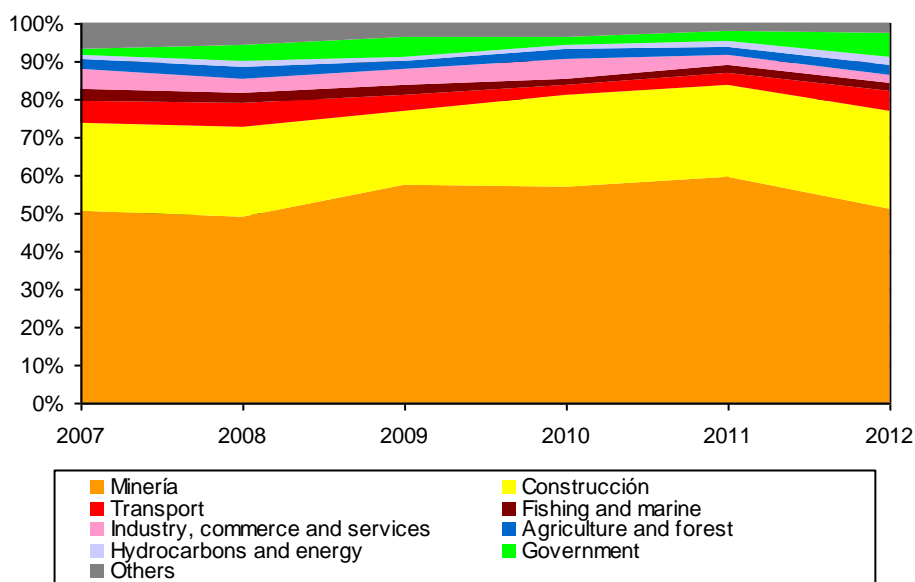
In the first quarter of 2012, sales from the Caterpillar line accounted 87% of the total income of the Company, including machinery and equipment (new, used units and rental) as well as spare parts and services. It is important to point out that sales of Caterpillar spare parts and services continue maintaining 33% of the total sales of the Company and is the line of higher profitability to be able to cover the infrastructure and the higher operating expenses generated by the after sales support. These are lines with a significant growth in the revenue stream, as a result of the large fleet of Caterpillar units sold by Ferreyros and subsidiaries.

Ferreyros: Sales by commercial line
(Accumulated as of March 31, 2012)



Regarding sales distribution by economic sector, it should be noted that sales to the mining and construction sector continue explaining the higher volume of sales, with 51% and 26% share, respectively, in the total sales of the first quarter of 2012.

Sales distribution by economic sector



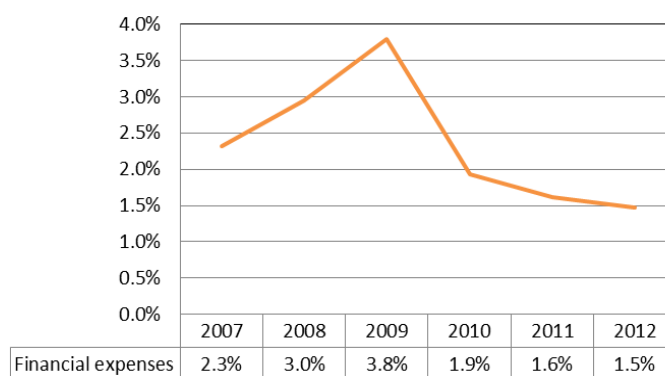
SELLING AND ADMINISTRATIVE EXPENSES

In 1Q 2012 selling and administrative expenses amounted to S/. 108.0 million, compared to S/. 89.4 million reported on the previous year, representing an increase of 20.7%. The increase is explained mainly by a growth in variable expenses as a result of higher net sales and by an increase in fixed costs, mainly due to: i) recruitment of technicians to meet the future demand of after-sales service; ii) hiring of commercial personnel to expand market coverage, and iii) improvements in the salary of key personnel and qualified technicians.

In 1Q 2012, selling and administrative expenses represent 14.5% of net sales, compared with 14.7% at the end of 1Q 2011.

FINANCIAL EXPENSES

Financial expenses in 1Q 2012 amounted to S/. 10.9 million, 10.5% higher than S/. 9.9 million reported in the same period of the previous year, due to an increase of 22.2% in the average liabilities subject to payment of interests (S/. 863 million in 1Q 2012; S/. 706 million in 1Q 2011). However, the percentage of these expenses increase has been much lower than the percentage in the sales increase thanks to an improvement in interest rates obtained.



FOREIGN EXCHANGE GAIN (LOSS)

During 1Q 2012, net liabilities in foreign currency showed an exchange gain of S/. 7.5 million, compared to an exchange loss of S/. 1.7 million during the same period of the previous year. Exchange gain in 1Q 2012 was caused by an appreciation of 1.08% of the Peruvian Sol against the US dollar, while the exchange loss in 1Q 2011 was caused by a slight appreciation of the Peruvian Sol against the US dollar of 0.14%.

NET PROFIT

Due to the variations previously mentioned, net profit in 1Q 2012 reached S/.30 million, compared to S/. 28.3 million reported in the same period of the previous year, which represents an increase of 6.2%.

ANALYSIS OF THE BALANCE SHEET

As shown in appendix 2, total assets as of March 31st, 2012, amounted to S/. 2,547.4 million compared to S/. 2,002.2 million reported in the same period of 2011; which represents a net increase of S/. 545.2 million (27.2%). The main variations of the asset accounts that explain this growth are the following: i) net inventory growth of S/. 189.3 million, due to higher purchases of prime products and spare parts to satisfy the significant growth in sales; ii) Trade accounts receivable increase of S/. 148.1, due to the growth of sales in general; and iii) net increase of fixed assets of S/. 96.4 million, which is explained by the S/. 50.9 million purchases of rental equipment in order to meet the increasing demand mainly by customers in the construction sector, in addition to purchases of machinery and equipment for shops in the amount of S/. 46.4 million.

The composition of the Company's liabilities as of March 31, 2012, are shown in Appendix 4.

LIQUIDITY AND DEBT RATIOS

As a result of the capital increase during the first quarter of 2012, the current ratio has increased from 1.28 as of 03-31-11, to 1.55 as of 03-31-12; likewise, the financial debt

ratio as of 03-31-12 is 0.68 compared to 0.87 as of 03-31-11. The total debt ratio as of 03-31-12 is 1.29 compared to 1.51 as of 03-31-11.

It should be recalled that the company's financing strategy adopted in 2011 was to contract more short term loans, due to the aforementioned capital increase. However, as new investments are made with the proceeds of such increase, we will gradually replace short-term obligations for long-term obligations, in line with the usual financial structure.

Company Profile

Ferreyros' mission is to provide its customers with the solutions they require by offering them the capital goods and services they need to create value in the markets where they have a share. For this purpose, it imports and sells machinery, engines, vehicles and spare parts; leases machinery and equipment, and provides maintenance and repair services. A key characteristic of its customer value proposition is the well-known post-sale service which includes spare parts warehouses and workshops nationwide, as well as service personnel throughout the Peruvian territory. The Company constantly invests in staff, especially technical staff, as well as in the infrastructure of its branches and workshops. Additionally, it adapts investment in working capital to the market's changing conditions.

Ferreyros represents leading brands in the market, such as Caterpillar, Massey Ferguson, Kenworth, Iveco, Yutong, Atlas Copco Drilling Solutions, Sullair, Oldenburg, Paus, Metso and Zaccarìa, among others, which are addressed to different economic sectors.

The Organization is composed by Ferreyros S.A.A., the leading importer of capital goods and services in Peru, and its subsidiaries which are listed below. As complement to Ferreyros's operations, the parent company, the subsidiaries contribute to the organization with higher sales and profits, extend the coverage of market and provide a portfolio of products and services that enriches the offer of Ferreyros's solutions. In this sense, many of Ferreyros' S.A.A customers receive products and services of several companies of the organization.

It is important to mention that the Organization distributes its business in three big divisions: Caterpillar dealers in Peru, Caterpillar dealers abroad and the ones aimed to offer capital goods and services to different economic sectors.

According to Conasev nomenclature, Ferreyros forms economic group with the following subsidiaries:

<u>Subsidiary</u>	<u>Participation</u>
Caterpillar dealers in Peru:	
Unimaq S.A.	99.99%
Orvisa S.A.	99.00%
Caterpillar dealers abroad:	
Corporation General de Tractores S.A. – Guatemala (*)	100.00%
Compañía General de Equipos S.A. - El Salvador (*)	100.00%

General Equipment Company Ltd. – Belice (*)	100.00%
Subsidiaries that complement the offer of capital goods and services:	
Mega Representaciones S.A.	99.99%
Fiansa S.A.	99.99%
Fargoline S.A.	99.86%
Ferrenergy S.A.C.	50.00%
Cresko S.A.	99.99%
Forbis Logistics Corp (*)	100.00%
Inmobiliaria CDR S.A.C.	100.00%

(*) Subsidiaries of Inti Inversiones Interamericanas Corp.

Income Statement (NOTE)
(In thousand of nuevos soles)

	1Q 2012	%	1Q 2011	%	Variation %
Net Sales	743,988 [↗]	100.0	606,574	100.0	22.7
Cost of sales	-592,593 [↗]	-79.7	-467,006	-77.0	26.9
Gross profit	151,395 [↗]	20.3	139,568	23.0	8.5
Selling and administrative expenses	-107,968 [↗]	-14.5	-89,422	-14.7	20.7
Other income (expenses), net	82 [↗]	0.0	279	0.0	-70.7
Operating profit	43,509 [↗]	5.8	50,425	8.3	-13.7
Financial income	4,060 [↗]	0.5	3,850	0.6	5.4
Gain (loss) to exchange rate	7,469 [↗]	1.0	-1,689	-0.3	
Financial expenses	-10,897 [↗]	-1.5	-9,865	-1.6	10.5
Profit before income tax	44,141 [↗]	5.9	42,721	7.0	3.3
Income tax	-14,092 [↗]	-1.9	-14,435	-2.4	-2.4
Net profit	30,049	4.0	28,286	4.7	6.2
Earning per share	0.043		0.043		
EBITDA	67,912 [↗]	9.1	73,622	12.1	-7.8

NOTE: Some figures have been reclassified in this document to show direct-order sales in the sales and cost of sales. In the Income Statement presented to the SMV, only the gross profit obtained from such operations is included in Other Operating Profit.

Financial Situation Statement

(In thousand of nuevos soles)

	31/03/2012	31/03/2011	Variation %
Cash and banks	40,391	50,210	-19.6
Account receivables - trade	455,841	310,814	46.7
Inventories	946,557	757,213	25.0
Account receivables - related	65,815	21,800	201.9
Account receivables - other	22,272	19,429	14.6
Prepaid expenses	10,176	4,128	146.5
Total current assets	1,541,052	1,163,595	32.4
Long-term account receivables - trade	17,774	14,706	20.9
Long-term account receivables - related	28,786	2,064	1,294.7
Long-term account receivables - other	5,872	9,531	-38.4
Rental fleet	323,852	272,952	18.6
Other fixed assets	633,619	558,709	13.4
Accrued depreciation	957,471	831,661	15.1
Property, plant and equipment, net	-279,950	-250,537	11.7
Investments	677,521	581,124	16.6
Other non current assets	266,746	226,209	17.9
Other non current assets	9,622	4,950	94.4
Non current assets	1,006,320	838,585	20.0
Total assets	2,547,372	2,002,180	27.2
Short-term debt	167,583	255,390	-34.4
Other current liabilities	829,317	656,487	26.3
Current liabilities	996,900	911,877	9.3
Long-term debt	429,729	276,826	55.2
Liabilities for deferred income taxes	7,400	16,062	-53.9
Total liabilities	1,434,029	1,204,766	19.0
Equity	1,113,343	797,414	39.6
Total liabilities and equity	2,547,372	2,002,180	27.2
Other financial information			
Depreciation and amortization (figures accumulated at the end of the period)	20,344	19,347	
Financial Ratios			
Current ratio	1.55	1.28	
Financial debt ratio	0.68	0.87	
Indebtedness ratio	1.29	1.51	
Book value per share	1.60	1.21	

Net Sales

(In thousand of nuevos soles)

	1Q 2012	%	1Q 2011	%	Variation %
Caterpillar equipment					
Large mining	61,746	8.3	72,296	11.9	-14.6
Others	295,689	39.7	195,480	32.2	51.3
	<u>357,435</u>	<u>48.0</u>	<u>267,776</u>	<u>44.1</u>	<u>33.5</u>
Agricultural equipment	17,022	2.3	10,701	1.8	59.1
Automotive	60,941	8.2	38,164	6.3	59.7
Rental and used	51,061	6.9	41,758	6.9	22.3
	486,460	65.4	358,399	59.1	35.7
Spare parts and services	257,528	34.6	248,175	40.9	3.8
Total	<u>743,988</u>	100.0	<u>606,574</u>	100.0	22.7

Sales by Economic Sector (in percentage)

	1Q 2012	1Q 2011
Mining	51.3%	57.7%
Construction	25.5%	25.2%
Government	6.3%	0.2%
Transport	5.3%	5.3%
Agriculture and forest	2.9%	1.9%
Industry, commerce and services	1.8%	4.6%
Fishing and marine	2.2%	2.1%
Hydrocarbons and energy	1.9%	1.0%
Others	2.8%	2.0%
Total	<u>100.0%</u>	<u>100.0%</u>

Total liabilities as of March, 31st, 2012

(In thousands of US dollars)

	(A)				Financial Liabilities
	Total Liabilities	Current Liabilities	Long-term liabilities		
			Current part	Long term	
Local banks (short-term)	21,283	21,283	-	-	21,283
Foreign banks (short-term)	39,000	39,000	-	-	39,000
Local banks (long-term)	94,735	-	35,424	59,311	94,735
Foreign banks (long-term)	-	-	-	-	-
Local banks (long-term) (Leasing)	4,001	-	1,775	2,226	4,001
Suppliers:					
Accounts payable to Caterpillar	33,621	33,621	-	-	-
Accounts payable to Caterpillar	13,864	13,864	-	-	13,864
Others	40,853	40,853	-	-	-
Corporate bonds	87,023	-	14,671	72,352	87,023
Caterpillar Financial Services	38,119	-	10,941	27,178	38,119
Other liabilities	164,993	164,993	-	-	-
Total (US\$)	537,492	313,614	62,811	161,067	298,025
Total (S/.)	1,434,029	836,716	167,583	429,729	795,131

(A) Generate interest payment